

REAL ESTATE COMMISSION  
Professional & Vocational Licensing Division  
Department of Regulatory Agencies  
State of Hawaii

MINUTES OF MEETING

Date: Thursday, June 7, 1973

Place: Board Room, Department of Regulatory Agencies  
1010 Richards Street, Honolulu, Hawaii

Present: Douglas R. Sodehani, Chairman  
Herbert S. Isonaga, Vice Chairman  
Mrs. Mary Savio, Member  
John D. Texeira, Member  
Hiromu Yamanaka, Member  
Louis Cannelora, Member  
Ah Kau Young, Member  
  
Edwin H. Honda, Director of Regulatory Agencies  
Yukio Higuchi, Executive Secretary  
Ben Matsubara, Deputy Attorney General

George Morris, Jr., Honolulu Board of Realtors  
Mrs. Iris Riber, Real Estate Association of Hawaii  
Bob Bone, Reporter, Honolulu Advertiser  
Herbert Welder, Hawaii Pacific College  
Dr. Bruce Haas, College of Business Administration, U.H.

Call to Order: There being a quorum, Chairman Sodehani called the meeting to order at 9:35 a.m.

Minutes: Upon motion, the minutes of the May 10, 1973 meeting was approved as circulated.

Committee Reports: Education Task Force Committee

Accreditation of Real Estate School, Certification of Instructors and Approval of Brokers Course

Committee Chairman Mary Savio reported that she met with the Executive Secretary to review the following applications for accreditation of school, certification of instructor, and approval of brokers course, and their recommendations were as follows:

John Buttrick School of Real Estate

Recommend accreditation of school for real estate salesman course, subject to John Buttrick qualifying for instructor's certification.

John Buttrick (Instructor Certificate)

Recommend approval as a real estate salesman course instructor upon receipt of a copy of his college diploma. His certificate to be limited to teach the salesman course at this time because he only completed an approved salesman course at Kinji Kanazawa Real Estate School. Should he desire to be certified as a broker instructor too, he must either complete the qualifying examination for instructors or complete an approved brokers course at an accredited school.

Professional School of Real Estate

Recommend approval of brokers course

Louis Cannelora moved and Ah Kau Young seconded that the Commission adopt the recommendations of the Education Task Force Committee. Motion unanimously carried.

Clarification of Hawaii Pacific College Course Approval

The Executive Secretary reported that Hawaii Pacific College had scheduled their real estate classes (Management 338 and 339) to be completed approximately 50 days prior to the examination date. The school had given their students assurance that they would be able to file their completion certificate prior to the 40-day deadline. When the Executive Secretary learned that they were advising their students that their deadline is 40 days prior to the examination date, he immediately notified the school that they were in error on the 40-day deadline and the deadline was 60 days because they were qualifying under a special waiver ruling of the Commission. Herbert Welder of the school contends that they had assured their students and the public that their completion certificate was due 40 days prior to the examination date based on the Commission's letter of approval dated January 10, 1973. He maintains that since the letter stated that satisfactory completion of Management 338 and 339 shall be considered to have satisfied the salesman education requirement of Rule 6.2, they are entitled to the 40-day deadline instead of the 60-day deadline.

Hiromu Yamanaka moved and Louis Cannelora seconded to allow applicants who have completed Management 338 and 339 at Hawaii Pacific College to file their completion certificate 40 days prior to the July 28, 1973 examination and the October 27, 1973 examination, but after the October 27, 1973 examination they must submit their completion certificate 60 days prior to the examination date, or otherwise, the school must qualify as a Commission accredited real estate school same as the other Commission accredited schools, such as Mike McCormack School of Real Estate. Motion unanimously carried.

Real Estate Manual

Mary Savio reported that she has learned from Kyle of Real Estate Education Corporation that he has selected James Conahan to prepare the Hawaii Supplement. It was felt that it was possible for the real estate manual to be ready by the end of this year.

Condominium Review Committee

Committee Chairman Louis Cannelora reported that he has thus far selected Dwight Rush and Hiroshi Sakai to serve on his restructured committee and he will add others to complete the committee. They have started their close review of Chapter 514, H.R.S., and they expect to be ready with legislation by the next legislature.

Rules and Regulations Committee

The Executive Secretary reported that staff has already prepared a draft of Chapter 467, H.R.S., with the recent amendments incorporated and we expect to have the newly printed Chapter 467 ready for distribution soon. The Commission was further advised that staff will revise the application forms, requirement sheet and other materials that need revisions as soon as possible. The Executive Secretary requested that the Rules and Regulations Committee undertake the task of reviewing Chapter 20 and prepare proposed amendments deemed necessary as the result of the new legislation.

Real Estate Recovery Fund

The Executive Secretary gave a verbal report that as of May 30, 1973, there is a balance of \$220,000 in the Recovery Fund and \$26,000 in the Education Fund.

Attorney General's Report

Deputy Attorney General Ben Matsubara reported on the following matters:

Claims Against the Recovery Fund

Matt N. Masuoka v. Floyd Kaneshiro

Reported that this case will be coming up for trial soon.

James H. Ogawa v. Floyd Kaneshiro

Reported that this case will be coming up for trial soon.

Soma v. Yoshiharu Hirashima

Reported that judgment was granted for more than \$5,000 on Hirashima. It was mentioned that the Commission need not intervene in any future claims against Hirashima inasmuch as this \$5,00 represents the last of the \$20,000 to be paid on Hirashima.

Cavasso v. Corbett

Reported that this is an old case where a judgment was granted by the court to recover from the respondents. Apparently, the complainant has exhausted all efforts to recover from the respondents, but has been unsuccessful and has now filed a motion to recover from the Recovery Fund.

Sale of Undivided Interest in Land

Reported that research has been initiated and found a former A.G.'s opinion ruling that the sale of undivided interest in land was not securities. Further found that there is an exception in the Securities Act of Hawaii that exempts registration with the securities examiner in cases where sales are conducted by licensed real estate brokers. Also reported that he is studying the operations of International Syndications, Inc., to determine whether their operations is a securities matter.

DaMate Case

Reported that this appears to be a weak case, because investigation has been unable to acquire crucial evidence to prove that DaMate had acted as a real estate agent rather than as owner.

Act 112, S.L.H. 1973

Reported that mechanics are being set in motion to implement the condominium consultant provision of the Act. Explanation was given as to what the A.G. and Administration was trying to do to implement the provision as soon as possible.

Recovery Fund Counsel

Requested that the Commission seriously consider taking steps to hire their own counsel in defending the Recovery Fund. The Chair requested the A.G. to work out the details and the Commission will proceed to hire its own counsel as soon as possible.

Investigation: RE-406 Hawaii Homes

Action deferred pending court action on recovery claim motion on Cavasso v. Gary and Carol Tharp.

Bob Mueller Realty

Action deferred pending review by the Attorney General to determine what course of action is open to the Commission.

RE-499 Lewis Realty

Louis Cannelora moved and John Texeira seconded to dismiss the complaint on the basis that investigation did not reveal sufficient

evidence of any deliberate attempt by the respondents to misrepresent the condition of the home to the complainants. The Commission found insufficient evidence to support the allegation of misrepresentation. Motion carried.

Pearl A. Nagatoshi

At the May 10, 1973 meeting the Commission decided to hold a formal hearing on Pearl A. Nagatoshi for violation of Chapter 467, H.R.S. The Chair appointed John Texeira and Hiromu Yamanaka as hearing officers.

T.V. Commercials on Land Sales

The Commission expressed great concern over the representations and statements being made by developers on T.V. commercials concerning sale of subdivided lands. The members felt that some developers were making misleading statements in their commercials, and they directed the Executive Secretary to make every effort to control this area. They requested that the commercials on some Montana, Alaska and Hawaiian Ocean View Ranchos lands be looked into immediately.

New Business:    Licensing

CORPORATION

Aina Kuponu Realty, Inc. - 175 Market Street, Wailuku, Maui  
Rexene Au, PB  
Equity Realty, Ltd. - 1210 Auahi, Suite 106, Honolulu  
Andrew C. Nicoll, PB  
REM Realty, Inc. - 2646 Kili Hau Street, Honolulu  
Ronald R. Lokar, PB  
J.V. Realty Corporation - Suite 1810 Financial Plaza of Pacific, Hon.  
Vernon B. Luke, PB  
Big-4 Realty, Inc. - 841 Bishop Street, Honolulu  
Larry C. Buskett, PB  
Molokai Corporation - 4th Floor, Aloha Tower, Honolulu  
Harold P. Little, PB  
Global Properties, Inc. - 54 Mamo Street, Hilo, Hawaii  
Tadato Nagasako, PB  
Properties West, Inc. - 2270 Kalakaua, Suite 1708, Honolulu  
Gary J. Hahn, PB  
Cord & Company, Ltd., dba Cordco - 841 Bishop, Suite 2222, Honolulu  
Robert E. Hastings, Jr., PB  
Raymond E. Hoe-Realtor, Inc. - 3016 Umi Street, Room 211, Lihue, Kauai  
Raymond E. Hoe, PB  
Trask Development Corp. - formerly James K. Trask, Jr. Inc.  
(Change of corporation name only)

Upon motion, the tentative approvals granted by Executive Secretary on the above applications were ratified.

PARTNERSHIP

P. S. Realtors - 2828 Paa Street, Suite 1120, Honolulu  
Larry R. Smith, PB

Upon motion, the tentative approval granted by the Executive Secretary on the above application was ratified.

BRANCH OFFICE

Grubb & Ellis Co. BR-2 - Suite 1336 Pacific Trade Center, Honolulu  
Marie A. Hansen, BIC  
Doug Carty Realty, Inc. BR-1 - 25 Kaneohe Bay Drive, Suite 203, Kailua  
Elizabeth J. Cooper, BIC  
International Equities Realty, Inc. BR-2 - Trading Post, Box 55,  
Own Ariki, BIC Hanamaula, Kauai, Hawaii

Upon motion, the tentative approvals granted by the Executive Secretary to Grubb & Ellis Co. and Doug Carty Realty, Inc. were ratified.

Upon motion, action on International Equities Realty, Inc. was deferred pending investigation on the sales practices of sales personnel on the Island of Kauai. Some of the Commissioners had heard derogatory stories about their sales practices and they will provide more details in order that an investigation could be initiated.

DBA

Kay Banning, Realtor - 4747 Kilauea, Room 201, Honolulu  
Kay Banning, dba  
Kon Tiki Realty - 94-239 Waipahu Depot, Suite 209, Waipahu, HI  
Gordon J. Vanderford, dba  
The Homefinders, Realtors - 11 S. King, Honolulu  
Benjamin T. Gudoy, dba  
Hawaiian Estate Realty - 825 Keeaumoku, Room 302, Honolulu  
Marvin L. Wong, dba  
Pat Weber Realty - Box 67 Kaunualii Hwy, Hanapepe, Kauai  
Patricia L. Weber, dba

Upon motion, the tentative approvals granted by the Executive Secretary on the above applicants were ratified.

Questionable Applications

John Winslow Buttrick (Broker)

Herbert Isonaga moved and John Texeira seconded to deny the application of Buttrick on the basis that he has failed to fulfill the 2 years' real estate experience requirement; he be

granted a waiver of 1 year experience for his Ohio broker's background; and he shall be required to complete 1 year of Hawaii real estate sales experience. Motion unanimously carried.

Century 21 Real Estate, Inc.

Herbert Isonaga moved and John Texeira seconded that the Commission take the position that all property must be advertised under the name of the broker or a fictitious name registered with the Commission as called for under Rule 1.10(a), and that a member broker of "Century 21" cannot advertise under the name of "Century 21". Motion unanimously carried.

Aaron M. Chaney, Inc. - "Chaney"

Aaron M. Chaney, Inc. has formally requested that the Commission register and allow the corporation to use the tradename of "Chaney" in their advertisements, letterheads, business cards, etc.

Herbert Isonaga moved and John Texeira seconded to deny the request on the basis of Rule 2.4(b), which states that a real estate corporation reflecting in its title the name of a real estate broker is prohibited from using dba under the same name without reflecting the incorporation. Motion unanimously carried.

The Executive Secretary was directed to notify Aaron M. Chaney, Inc. to cease and desist using the name "Chaney" in all their advertising materials, letterheads, business cards, etc. The Commission indicated that it would be receptive to entertain a proper application from the corporation to use the dba "Chaney, Inc."

Donald Kornowski's Rental Activity

Donald Kornowski had filed an application for a rental agency license which was denied by the Director of Regulatory Agencies on the basis that the activity he was engaged in required a real estate license. In replying to Kornowski, the Director informed Kornowski that his application would be referred to the Real Estate Commission for its determination as to whether he will be required to obtain a real estate broker license or be exempted from it as provided under Section 467-2, H.R.S.

Mary Savio moved and John Texeira seconded that the Commission rule that he does not meet the requirement to qualify for an owner exemption under Section 467-2, H.R.S., therefore, he is required to obtain a real estate broker's license to continue his real estate rental activities at the San Souci Cooperative Apartment. Motion unanimously carried.

Educational Proposal of Dr. Bruce M. Haas

Dr. Bruce M. Haas appeared before the Commission to request financial assistance from the Commission to carry on his taped real estate

lectures. After listening to Dr. Haas' presentation, the Commission suggested that he make an attempt to contact the Hawaii Association of Real Estate Schools as they might be interested in his pilot program.

Miscellaneous: 1973 Legislation

The Executive Secretary reported that all of the Commission's bills had been approved by the Governor as follows:

Act 112 (S.B. 910) signed on May 17, 1973  
 Act 131 (H.B. 2024) signed on May 18, 1973  
 Act 142 (H.B. 317) signed on May 22, 1973  
 Act 150 (H.B. 1043) signed on May 22, 1973

Mr. Edwin H. Honda, the Director of Regulatory Agencies, appeared before the Commission to advise the Commission of the actions being taken by his staff in attempting to expedite the implementation of the consultant contract provision of Act 112. Act 112 authorizes the Director to enter into agreement with consultants to prepare horizontal property regimes public reports.

Proposed Real Estate Examination Dates for 1974-1975

The Commission was presented with the following proposed examination dates for 1974 and 1975:

	<u>Regular (Sat.)</u>	<u>Special (Tues.)</u>
<u>1974</u>	January 26, 1974	January 29, 1974
	May 25, 1974	May 28, 1974
	September 28, 1974	October 1, 1974
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<u>1975</u>	January 25, 1975	January 28, 1975
	May 24, 1975	May 27, 1975
	September 27, 1975	September 30, 1975

Mary Savio moved and Ah Kau Young seconded to tentatively approve the examination dates for 1974. Motion unanimously carried.

The Commission took no action of the proposed schedule for 1975 as they felt that it was too far in advance and they might decide to give more than 3 examinations in 1975.

Results of April 28, 1973 Real Estate Examination

Each member was given a copy of the April 28, 1973 real estate examination results.

1973 NARELLO Western District Conference

Announcement was made that the travel request for Chairman Sodeani and Vice Chairman Isonaga to attend the 1973 NARELLO Western District Conference in Alaska has been approved.



Correspondence: Educational Testing Service Letter of May 21, 1973

Each member was given a copy of the letter from E.T.S., which advises of the changes in E.T.S.'s Uniform Real Estate Program as outlined in the minutes of their meetings of January 30 and 31, 1973.

NARELLO Constitution and By-Laws Committee's Questionnaire on Redistricting

Chairman Sodemani agreed to complete the questionnaire after the Western District Conference.

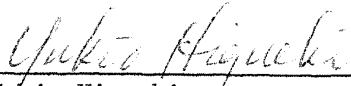
Announcements: None

Next Meeting

Date: July 26, 1973, at 9:30 a.m.

Adjournment: There being no further business, Chairman Sodemani adjourned the meeting at 4:30 p.m.

Recorded by

  
Yukio Higuchi  
Executive Secretary

YH:pl

7/6/73